

## Message Text

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72

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 IO-10 CIAE-00

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SIL-01 GSA-01 FEA-01 INT-05 PA-01 PRS-01 USIA-06 /097 W

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R 222156Z APR 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 8486

INFO AMEMBASSY BOGOTA

AMEMBASSY GUATEMALA

AMEMBASSY KINGSTON

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY PANAMA

AMEMBASSY PORT AU PRINCE

AMEMBASSY PORT OF SPAIN

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY SANTO DOMINGO

AMEMBASSY TEGUCIGALPA

AMEMBASSY BRASILIA

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E.O. 11652: N/A

TAGS: PFOR, VE

SUBJECT: BAUXITE AGREEMENT CONCLUDES JAMAICAN PRIME MINISTER'S  
VISIT TO VENEZUELA

SUMMARY: AT THE CONCLUSION OF HIS THREE-DAY OFFICIAL VISIT TO  
VENEZUELA, JAMAICAN PRIME MINISTER MANLEY ANNOUNCED THAT THE GOJ  
AND THE GOV HAD ENTERED INTO A BAUXITE AGREEMENT WHICH DEMONSTRATED  
THAT JAMAICA "CAN PARTICIPATE IN THE INTEGRATION OF LATIN AMERICA."  
IN A JOINT DECLARATION MANLEY ENDORSED VENEZUELA'S INTERNATIONAL  
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INITIATIVES AND PEREZ EXTENDED TO JAMAICA THE ECONOMIC COOPERATION

AGREEMENT WHICH HE HAD CONCLUDED LAST DECEMBER WITH THE CENTRAL AMERICAN REPUBLICS. END SUMMARY.

1. JAMAICAN PRIME MINISTER MICHAEL MANLEY, ACCOMPANIED BY A 25-MAN DELEGATION, VISITED VENEZUELA ON APRIL 17-19. HIS VISIT WAS PRECEDED BY REPORTS THAT PRESIDENT PEREZ ATTACHED "GREAT IMPORTANCE" TO THE VISIT OF MANLEY, WITH WHOM PEREZ HAD A THREE-HOUR MEETING IN JAMAICA ON MARCH 26.

2. DURING THE VISIT, PRIME MINISTER MANLEY AND PRESIDENT PEREZ SIGNED A 26-PARAGRAPH JOINT DECLARATION, IN WHICH THE TWO HEADS OF STATE:

--CALLED FOR RADICAL CHANGES IN CURRENT WORLD ECONOMIC RELATIONS IN ORDER TO ESTABLISH A NEW INTERNATIONAL ECONOMIC ORDER, AND OBSERVED THAT "INDEXING OR SOME OTHER MECHANISM" WAS NEEDED TO IMPROVE THE TERMS OF TRADE BETWEEN THE DEVELOPING AND THE DEVELOPED NATIONS;

--EXPRESSED THEIR SUPPORT FOR A LATIN AMERICAN HEADS OF STATE MEETING TO ESTABLISH THE FOUNDATIONS FOR A NEW ECONOMIC SYSTEM FOR LATIN AMERICA;

--AGREED THAT A CARIBBEAN HEADS OF STATE MEETING SHOULD CONVENE AS SOON AS POSSIBLE "TO EXAMINE PROBLEMS WHICH CONCERN THE AREA AND TO CREATE A COMMON CONSCIOUSNESS WHICH WILL MAKE POSSIBLE THE ADOPTION OF MUTUALLY BENEFICIAL POLICIES;"

--NOTED THAT MANLEY ENDORSES VENEZUELA'S POSITION AT THE RECENT PARIS PRECON AND VENEZUELA'S POLICY OF PROVIDING FINANCIAL ASSISTANCE TO ITS LATIN AMERICAN NEIGHBORS;

--CALLED FOR ACROSS-THE-BOARD COOPERATION AMONG CARIBBEAN COUNTRIES AND THE FORMATION OF CARIBBEAN MULTINATIONAL ENTERPRISES, SUCH AS THE CARIBBEAN SHIPPING VENTURE;

--AGREED TO BROADEN CULTURAL RELATIONS, INCLUDING AN EXPANSION OF SPANISH-LANGUAGE INSTRUCTION IN JAMAICA;

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--STATED THAT JAMAICA HAD OFFERED VENEZUELA A ROLE IN THE CONSTRUCTION OF AN ALUMINUM PLANT IN JAMAICA AND THAT VENEZUELA HAD OFFERED EQUIVALENT TERMS TO JAMAICA FOR PARTICIPATION IN A NEW ALUMINUM PLANT IN VENEZUELA;

--SAID THAT VENEZUELA WILL PROVIDE JAMAICA WITH ENOUGH CRUDE OIL TO MEET DOMESTIC CONSUMPTION AND DEVELOPMENT REQUIREMENTS AND NOTED VENEZUELA'S VIEW THAT JAMAICA WOULD QUALIFY FOR OPEC'S

PROSPECTIVE PLAN TO PROVIDE FERTILIZERS TO DEVELOPING COUNTRIES;

--STATED THAT VENEZUELA WOULD EXTEND TO JAMAICA THE ECONOMIC COOPERATION AND ASSISTANCE AGREEMENT WHICH VENEZUELA HAD REACHED LAST DECEMBER WITH CENTRAL AMERICAN REPUBLICS.

3. AFTER SIGNING THIS DECLARATION, MANLEY TOLD THE PRESS THAT HIS COUNTRY WOULD SUPPLY VENEZUELA WITH 200,000 TONS OF ALUMINA FOR THE NEXT TEN YEARS, 400,000 TONS OF BAUXITE FOR THE NEXT THREE YEARS AND 500,000 TONS OF BAUXITE FOR THE FOLLOWING SEVEN YEARS. HE NOTED THAT THE AGREEMENT BENEFITS JAMAICA, SINCE IT GUARANTEES A MARKET FOR THE NEXT 10 YEARS, AND BENEFITS VENEZUELA BECAUSE IT PROVIDES ADEQUATE ALUMINA AND BAUXITE FOR THE NEXT 10 YEARS AND WILL INCLUDE 200,000 TONS OF ALUMINA FOR A NEW ALUMINUM SMELTING CAPABILITY THAT VENEZUELA IS DEVELOPING. IN CONNECTION WITH VENEZUELAN PARTICIPATION IN A BAUXITE MINING OPERATIONS AND PROCESSING PLANT, MANLEY EXPLAINED THAT THE BUSINESS WILL BE 51 PERCENT OWNED BY JAMAICA, 29 PERCENT BY MEXICO, 10 PERCENT BY VENEZUELA AND 10 PERCENT BY KAISER BAUXITE OF AMERICA COMPANY.

5. ALTHOUGH MANLEY DID NOT PROVIDE DETAILS OF AN OIL AGREEMENT, ACCORDING TO ONE REPORT JAMAICA AGREED TO PURCHASE ABOUT 20,000 BARRELS OF CRUDE PER DAY FROM VENEZUELA. GOV MINISTRY OF MINES AND HYDROCARBONS OFFICIAL, HOWEVER, INFORMED EMBASSY THAT NO OIL AGREEMENT WAS CONCLUDED WITH JAMAICA DURING VISIT. GOV IS DISCUSSING WITH JAMAICA WHAT FORM A CARIBBEAN OIL AGREEMENT MIGHT TAKE, AND OBVIOUSLY EXPECTS THAT JAMAICA WILL COOPERATE IN SETTING PATTERN FOR THE REGION.

6. COMMENT: THE RESULTS OF THE MANLEY VISIT INDICATE THAT PRESIDENT PEREZ IS CONTINUING TO BUILD ON HIS NOW-SAMILIAR POLICY OF STRIKING POLITICAL-ECONOMIC DEALS WITH LESSER-DEVELOPED NEIGHBORING COUNTRIES WHICH CONTAIN ECONOMIC ADVANTAGES FOR BOTH SIDES IN RETURN  
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FOR ENDORSEMENT OF PEREZ'S INTERNATIONAL INITIATIVES AND LEADERSHIP. THIS VISIT WAS A MODEL FOR THE METHODS USED BY VENEZUELA TO ESTABLISH A GROWING NETWORK OF NEW INTERRELATIONSHIPS IN THE CARIBBEAN. THE VISIT ALSO APPEARS TO REFLECT A DESIRE ON MANLEY'S PART TO PARTICIPATE IN VENEZUELA'S PROPOSALS FOR LATIN AMERICAN INTEGRATION AND HIS WILLINGNESS TO COUNTER TRINIDADIAN PRIME MINISTER WILLIAMS' INCREASING OPPOSITION TO VENEZUELAN INITIATIVES IN THE CARIBBEAN.

7. MANLEY VISIT AND PUBLIC ENDORSEMENT OF VENEZUELAN POSITION IN PARIS PREPCON WAS ALSO TIMELY FROM GOV STANDPOINT. BAUXITE AGREEMENTS CAN BE CITED BY VENEZUELA AS CONCRETE EXAMPLE OF INTERRELATIONSHIP OF OIL AND OTHER RAW MATERIALS PRODUCERS. THESE AGREEMENTS CAN BE USED TO REINFORCE VENEZUELAN ARGUMENT THAT IT CANNOT NEGLECT INTERESTS OF OTHER RAW MATERIALS PRODUCERS.

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